

Committee on Resources

resources.committee@mail.house.gov

[Home](#) [Press Gallery](#) [Subcommittees](#) [Issues](#) [Legislation](#) [Hearing Archives](#)

Statement of Jason Peltier

Special Assistant to Secretary for Water and Science

U.S. Department of the Interior

Before the U.S. House of Representatives

Subcommittee on Water and Power

Concerning the CALFED Bay-Delta Program Budget Crosscut

May 15, 2003

Introduction

Chairman Calvert and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the CALFED Bay-Delta Program's Budget Crosscut. My testimony will focus on the development and composition of the Fiscal Years 2001-2004 Federal Budget Crosscut, current Federal and State agency coordination, and concerns regarding future authorizing legislation. I look forward to working with this Committee and all our fellow CALFED agencies to achieve our goals.

The Administration supports the CALFED program and the concepts embedded in the CALFED Bay-Delta Program Record of Decision (ROD), which set forth the activities to be undertaken under CALFED. In particular, we support the principle of balanced progress across all elements of the Program. We recognize there is a long history of conflict over many of the issues CALFED addresses. Without balanced, integrated progress, conflict and stalemate results and all stakeholders and resources suffer. By implementing a broad range of complementary programs in a balanced manner, CALFED can ensure that the interests of all agencies and stakeholders are recognized and addressed.

The objectives of the CALFED Program are to: (1) provide good water quality for all beneficial uses; (2) improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta to support sustainable populations of diverse and valuable plant and animal species; (3) reduce the imbalance between Bay-Delta water supplies and current and projected beneficial uses dependent on the Bay-Delta

system; and (4) reduce the risks that would result from catastrophic breaching of Delta levees.

The CALFED Program holds significant promise for all who benefit from the use of the Bay-Delta and for restoration of the Bay-Delta's ecological health. However, our ability to move forward on a broad basis is limited until the Program is authorized. To that end, we share your desire to see legislation introduced that would provide Federal agencies with the necessary Program authorization to advance CALFED plan implementation efforts, while recognizing the fiscal realities of the State and Federal budgets.

Budget Crosscut

The idea of a CALFED Budget Crosscut pre-dated the CALFED Bay-Delta Program ROD and was formally adopted by the participating Federal and State agencies and acknowledged in Attachment 3 to the Implementation Memorandum of Understanding (MOU) to the CALFED Bay-Delta Program ROD. The purposes of establishing the Budget Crosscut were to (1) identify a comprehensive list of programs and projects being implemented by Federal and State agencies in the defined geographic area that contributed to or complemented the CALFED goals and objectives; and (2) coordinate the implementation of those programs and projects both from a planning and financial aspect so as to maximize resource benefits and financial efficiencies.

The geographic area as defined in the CALFED Programmatic EIR/EIS encompasses both the "problem area," the Suisun Bay/Suisun Marsh and Delta, and the "solution area," the Delta Region, Bay Region, Sacramento River Region, San Joaquin River Region, and other State Water Project (SWP) and Central Valley Project (CVP) Service Areas. A map of the CALFED Bay-Delta Program Programmatic EIR/EIS Study Area is attached for reference. In order to acknowledge other contributing Federal program and project funds, the solution area is further defined to include the counties served by the SWP and/or the CVP.

The participating Federal and State agencies identified two groups of programs and projects, known as "Category A" and "Category B", that contribute to achieving the CALFED ROD objectives within the geographic solution area. Category A programs include those programs and/or projects that are consistent with the program goals, objectives, and priorities of the ROD and contribute benefits within the CALFED geographic solution area. These are recognized by the participating CALFED agencies as integrated into the planning and implementation of the CALFED Program and consistent with implementation principles and commitments set forth in the ROD. Category B includes those programs and/or projects and funds that have related and overlapping program objectives, whose geographic area overlaps with the CALFED geographic solution area. Category B programs and projects are coordinated by the agencies, but not necessarily integrated into the CALFED planning and funding process. Based on these guidelines, each agency delineates the programs that constitute their Category A and B activities. The initial list of CALFED Category A & B State and Federal Programs, attached to the ROD Implementation MOU, has been revised to include new programs and projects as appropriate and agreed upon by the agency with program and funding authority. Attached is a revised version of the initial list reflecting those programs and projects that Federal agencies agree should be reflected in the Budget Crosscut.

Semi-annually, the participating CALFED agencies compile a Budget Crosscut that consists of both Federal and State funding for Category A&B programs and projects. My remarks today are limited to the Federal component of that budget. The budget information is grouped by CALFED Program elements – Ecosystem Restoration, Environmental Water Account, Water Use Efficiency, Water Transfers, Watershed, Drinking Water Quality, Levees, Storage, Conveyance, Science, Water Supply Reliability, and Oversight & Coordination – and identified by the authorized agency and/or appropriation. After enactment of fiscal year spending bills, the second version of the Budget Crosscut is compiled to reflect actual appropriations for the Category A & B programs and projects. The data by fiscal year is displayed in the CALFED Program's Annual Report and utilized in developing Program element planning/priority documents.

Multi-Year Budget Crosscut

Attached is the Federal Budget Crosscut which displays by fiscal year all CALFED Bay-Delta Program-related expenditures by the Federal Government, actual and projected, for FY 2001 through 2004. Generally, the FY 2001 and 2002 numbers represent agency obligated appropriations; the FY 2003 funds are stipulated by agency as enacted or apportioned appropriations; and the FY 2004 numbers are part of the President's proposed budget. Funds are reported by fiscal year by the agency receiving the appropriation, and apportioned amounts are provided, where feasible, when the total program/project funding is attributable to efforts beyond CALFED objectives/geographic area. In some cases, agencies cannot currently predict their full FY 2003 or FY 2004 funding due to the fact that a portion of their funds are awarded through competitive processes and the amount to be applied in the CALFED solution area is currently unknown.

The absence of these FY 2003 and FY 2004 amounts prevents a simple comparison of total funds to previous years.

The budget data presented may not conform to prior submissions of similar information provided by the combined Federal agencies, or individual agencies or the California Bay-Delta Authority. The difference is attributable primarily to the Federal agencies reporting funding for Category B programs and projects that previously had not been included in publicized Budget Crosscuts. In order to reflect more accurately the true Federal investment, these programs and funds are incorporated in the multi-year Budget Crosscut developed by the Office of Management and Budget in consultation with the participating Federal agencies.

State and Federal Agency Program Coordination

The level of collaboration and coordination achieved among the stakeholders and Federal and State agencies having interests in the Bay-Delta estuary, has been key to the success of the CALFED Program. The "ClubFED" side of the CALFED Program reflects a cooperative planning and coordination effort among ten Federal agencies, including, within the Department of the Interior, the U.S. Fish and Wildlife Service, U.S. Bureau of Reclamation, U.S. Geological Survey, and Bureau of Land Management, as well as the U.S. Environmental Protection Agency, National Marine Fisheries Service, U.S. Forest Service, Natural Resources Conservation Service, U.S. Army Corps of Engineers, and Western Area Power Administration.

The enactment of California Senate Bill 1653 established a new state entity, the CALFED Bay-Delta Authority (Authority), in the Resources Agency with the general purpose of implementing the CALFED Bay-

Delta Program. The Authority consists of 6 named state agencies, 6 named Federal agencies (Department of the Interior, Fish and Wildlife Service, Bureau of Reclamation, Corps of Engineers, NOAA Fisheries, and the Environmental Protection Agency), 7 public members, a member from the Bay-Delta Public Advisory Committee (Federal advisory group), and 4 non-voting members of the Legislature. The Governor of California, in consultation with Secretary Norton, is actively considering the appointment of the 5 public members representing regional aspects of the CALFED Program. These appointments are anticipated shortly.

Federal participation in the Authority is voluntary and non-voting until acceptable Federal authorizing language is enacted. In the absence of Federal authorization, the ClubFED agencies have agreed upon the following interim interaction and coordination goals: (1) continue the cooperation between participating Federal and State agencies; (2) seek permanent oversight and coordination of the CALFED Program provided decision-making authority on budgets and project/program level efforts remains vested with individual agencies; and (3) continue to operate in accordance with the CALFED ROD Implementation MOU and the Management Group MOU until the Authority is operating.

The existing CALFED ROD Implementation MOU was executed before the creation of the new State Authority. Accordingly, some of the provisions of the Implementation MOU are out of date. The ClubFED agencies have been working with their State counterparts to draft appropriate revisions to the Implementation MOU to reflect the role of the new Authority. A result of the coordination between implementing Federal and State agencies is the development of multi-year Program Plans that describe each Program element - goals, objectives, priorities, proposed budgets, and major tasks, products and schedules. Each Program Plan also includes an assessment of the previous year and integration efforts across Program elements. The Program Plans are used by the Federal and State agencies to manage program implementation over the ensuing year and guide agency budget requests. The Bay-Delta Public Advisory Committee and the Authority use the Program Plans to assess overall progress, funding needs, program balance, and to make recommendations to the implementing agencies. The Program Plans serve as a tool for the implementing agencies and others to ensure each Program element is meeting ROD objectives, has sufficient funding, and is coordinated with other Program elements.

Authorization Concerns

Despite the progress that has been accomplished through existing agency authorizations, the Administration has some budgetary concerns you may consider in drafting authorizing legislation:

Cross-Cut Appropriation. As previously noted, the Federal side of the CALFED Program is a cooperative planning and coordination effort among ten Federal agencies. In order to reduce inefficiencies and further improve agency participation and recognition, the Department of the Interior believes we should consider a broader allocation of appropriations among the participating implementing Federal agencies. This would be a departure from the centralized appropriations made to the Bureau of Reclamation under the 1996 Bay-Delta Act that funded Program planning and early ecosystem restoration activities. A cross-cut appropriation would more accurately reflect the contributions of the participating Federal agencies and lessen the risk to other Reclamation funded programs and projects in the Western States.

Long-Term Cost of the Program. We are concerned that the overall cost, including the current and future financial exposure of the United States to the programs and initiatives identified in the CALFED ROD, may not be sustainable. Legislation should authorize an integrated program that can reasonably be expected to be fully funded in the current fiscal climate. Failure to authorize affordable CALFED program components may jeopardize the progress of a balanced CALFED Program.

Conclusion

The Bay-Delta is a region of critical importance to California. Through Federal, State, and public collaborative implementing efforts, progress has been made in improving water supply reliability and the ecological health of the Bay-Delta Estuary. The Federal contributions to these efforts are reflected in the attached Budget Crosscut table and program list. While the Administration is encouraged by the accomplishments to date under the CALFED Bay-Delta Program, your support of the Program through enactment of authorizing programmatic legislation and associated funding for the participating Federal agencies is fundamental to continuing Federal implementation efforts under the Bay-Delta Program.

This concludes my testimony. Mr. Chairman, I would like to reiterate my appreciation to the Committee and others for continuing to work with the Administration to address the significant water issues facing California. I would be happy to answer any questions.

Attachments.

1. CALFED Bay-Delta Program Programmatic EIR/EIS Study Area Map
2. Revised List of CALFED Category A & B State and Federal Programs
3. CALFED Bay-Delta Program Cross-Cut Federal Budget for Fiscal Years 2001-2004